Introduced by Senator Kelley

February 2, 1999

An act to amend Sections 10151.5, 14233, 14250, 14260, 14427, 14461, and 14483 14483, and 18896.8 of, and to repeal Section 14492.5 of, the Business and Professions Code, to amend Sections 990, 1782, and 1812.214 of the Civil Code, to amend Section 2104 of, and to repeal Section 1018 of, the Code of Civil Procedure, to amend Sections 9403, 9404, 9405, 9406, and 9409 of the Commercial Code, to amend Sections 1502, 1905, 2117, 2205, 5008.6, 6210, 8210, 15800, 16953, 16954, 16959, 16960, 16962, 17060, 17356, 17654, 21304, 24003, and 24004 of, to add Sections 1107.5 and 17375 to, and to repeal Chapter 15 (commencing with Section 17700) of Title 2.5 Corporations Code, to repeal Section 5805 of the Financial Code, to amend Sections 6518 and 12168.5 of, to add Sections 12175, 12176, 12177, 12178, 12178.1, 12179, and 12179.1 to, to repeal Sections 12164.5 and 12164.7 of, and to repeal and add Article 3 (commencing with Section 12180) of Chapter 3 of Part 2 of Division 3 of Title 2 of, the Government Code, to repeal Sections 601, 602, 603, and 604 of the Harbors and Navigation Code, and to repeal Section 21414 of the Public Utilities Code, relating to the Secretary of State.

LEGISLATIVE COUNSEL'S DIGEST

SB 284, as amended, Kelley. Secretary of State.

(1) Existing law authorizes the Secretary of State to charge various fees for the filing, indexing, and furnishing of various SB 284 — 2 —

documents and the performance of other functions by the Secretary of State. Existing law, until January 1, 2000, requires that fees collected and interest earned in excess of the authority of the Secretary of State to expend those fees and interest pursuant to the annual Budge Budget Act, up to \$2,000,000 at the end of each fiscal year, be transferred from the Secretary of State's Business Fees Fund to the Business Reinvestment Fund. Existing law, until January 1, 2000, requires any additional excess fees and interest earned be transferred to the General Fund at the end of each fiscal year. Existing law, as of January 1, 2000, requires that all fees collected and interest earned in excess of the authority of the Secretary of State to expend those fees and interest pursuant to the annual Budget Act be transferred to the General Fund at the end of each fiscal year.

This bill would consolidate the statutory fees for various business programs in the Government Code and revise certain of those fees. This bill would require that all fees collected and interest earned in excess of the authority of the Secretary of State to expend those fees and interest pursuant to the annual Budget Act be transferred to the Business Programs Account established within the Business Fees Fund, and be used, upon appropriation by the Legislature, for the support of the programs for which the fees are collected.

(2) Existing law requires every corporation to file, within 90 days after the filing of its original articles of incorporation and annually thereafter, a statement of general information and a designation of an agent for the service of process with the Secretary of State. Existing law requires every limited liability company and every foreign limited liability company registered to transact intrastate business in this state to file, within 90 days after the filing of its original articles of organization and annually thereafter, a statement of general information and a designation of an agent for the service of process with the Secretary of State.

This bill would require a corporation, limited liability company, and foreign limited liability company to file this statement biennially and would permit changes to be filed to these statements without charge until the next filing is due.

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(3) Existing law designates the Secretary of State as the agent for service of process for various purposes, including, but not limited to, nonresident applicants for real estate licenses, sellers of seller-assisted marketing plans, registration of savings and loan holding companies, and nonresidents with respect to the use of watercraft or ownership of aircraft.

This bill would delete the requirement that the Secretary of State be named the agent for service of process under these provisions of law.

(4) Existing law authorizes the Secretary of State to file or record any document by using automated data processing, telecommunications, and other information technologies that do not permit additions, deletions, or changes in the original document.

This bill would authorize the Secretary of State to adopt rules and regulations to authorize the electronic filing of any documents required to be filed with the Secretary of State under any law administered by the Secretary of State. This bill would authorize the filing officer to employ a system of microphotography, optical disk, or reproduction by other techniques, which do not permit additions, deletions, or changes to the original documents.

(5) Existing law provides procedures for the merger of corporations.

This bill would require a surviving domestic corporation in a merger to assume the tax liability of a domestic disappearing corporation and would authorize the Secretary of State under specified circumstances to file a corporate merger without the certificate of satisfaction of the Franchise Tax Board and to notify the board of the merger.

(6) Existing law requires that a notice be filed with the Secretary of State in the event a registered limited liability partnership or a foreign limited partnership ceases to be a limited liability partnership.

This bill would require a tax clearance certificate issued by the Franchise Tax Board to be filed with the notice.

(7) Existing law, in an uncodified provision, provides that nothing in specified laws that amend the Beverly-Killea Limited Liability Company Act, is to be construed to permit

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a domestic or foreign limited liability company to render professional services.

This bill would codify that provision.

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Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

- SECTION 1. Section 10151.5 of the Business and 1 Professions Code is amended to read:
- 10151.5. (a) An applicant who is not a resident of this state shall be eligible for a real estate license provided (1) the applicant qualifies for licensure under this chapter, 5 including Section 10162, and (2) the state or other jurisdiction that is the place of residence of the applicant permits a resident of California to qualify for and obtain a real estate license in that jurisdiction.
- (b) A foreign corporation shall be exempt from the 11 eligibility requirement set forth in clause subdivision (a) if, and for so long as, at least one of the officers of the corporation who is designated and licensed 14 as a real estate broker pursuant to Section 10158 or 10211 15 is a resident of this state.
- 16 (c) Every nonresident applicant for a real estate 17 license shall, along with his or her application, file with 18 the Real Estate Commissioner an irrevocable consent 19 that if in any action commenced against him or her in this state, personal service of process upon him or her cannot be made in this state after the exercise of due diligence, 22 a valid service may thereupon be made upon the applicant by delivering the process to the Department of Real Estate. 24
- 25 SEC. 2. Section 14233 of the Business and Professions 26 Code is amended to read:
- 27 14233. The application for registration shall he 28 accompanied by a filing fee as set forth in subdivision (a)
- of Section 12193 of the Government Code. 29
- 30 SEC. 3. Section 14250 of the Business and Professions 31 Code is amended to read:

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14250. Registration of a mark, as provided by this chapter, shall be effective for a term of 10 years from the date of registration and be renewable for 10-year periods, upon application filed within six months prior to the expiration of the term. The application for renewal shall be prescribed by the Secretary of State for that purpose and shall be submitted with the fee as set forth in subdivision (c) of Section 12193 of the Government Code.

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9 A mark registration may be renewed for successive 10 periods of 10 years in like manner.

SEC. 4. Section 14260 of the Business and Professions Code is amended to read:

14260. Any mark and its registration pursuant to this 14 chapter shall be assignable with the good will of the business in which the mark is used, or with that part of the good will of the business connected with the use of and symbolized by the mark. Assignment information shall be instruments in writing duly executed acknowledged and may be filed with the Secretary of State upon the payment of a fee as set forth in subdivision (b) of Section 12193 of the Government Code. Upon filing 22 of the assignment, the Secretary of State shall issue in the 23 name of the assignee a new certificate for the remainder of the term of the registration or of the last renewal thereof. An assignment of any registration under this chapter shall be void as against any subsequent purchaser for valuable consideration without notice, unless it is filed with the Secretary of State within three months after the date thereof or prior to the subsequent purchase.

SEC. 5. Section 14427 of the Business and Professions Code is amended to read:

14427. Anv person. who is engaged in manufacture, packing, canning, bottling, or selling of any substance in containers with his or her name, or other mark or device impressed or produced thereon, or whose equipment or supplies, owned by and used in his or her business, bears a name or other mark or device impressed or produced thereon, may file in the office of the Secretary of State after payment of the fee set forth in subdivision (d) of Section 12193 of the Government SB 284 **—6—**

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Code, a description of the name, mark, or device so used, as a brand.

- 3 SEC. 6. Section 14461 of the Business and Professions Code is amended to read:
- 14461. Any farm owner or lessee in this state may 5 6 register the name of his or her farm with the Secretary of State.
- 8 The State, and the Secretary of State shall issue a certificate setting forth the name and location of the farm 10 and the name of the owner upon payment of the fee as set forth in subdivision (g) of Section 12193 of the 12 Government Code.
- SEC. 7. Section 14483 of the Business and Professions 13 14 Code is amended to read:
- 14483. The registrant shall pay to the Secretary of 15 16 State for filing each laundry supply designation described and for issuing a certificate of filing a fee as set forth in 17 subdivision (e) of Section 12193 of the Government Code, and to the county clerk a fee of one dollar (\$1) for each 20 designation described and filed.
- 21 SEC. 8. Section 14492.5 of the **Business** 22 Professions Code is repealed.
- 23 8.5. Section SEC. 18896.8 of the **Business** and 24 Professions Code is amended to read:
 - 18896.8. (a) An athlete agent shall pay filing fees in an amount established pursuant to subdivision (b) of Section 12195 of the Government Code upon making the filings required by Sections 18896 and 18896.2.
- (b) The Secretary of State shall set applicable filing 30 fees in the amounts necessary to generate revenue sufficient to cover the costs of administration of this chapter.
- 33 (e) All fees collected by the Secretary of State under 34 this chapter shall be paid into the State Treasury and credited to the Business Fees Fund of the Secretary of 36 State.
- SEC. 9. Section 990 of the Civil Code is amended to 37 38 read:
- 39 990. (a) Any person who uses personality's name, voice, signature, photograph,

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likeness, in any manner, on or in products, merchandise, or goods, or for purposes of advertising or selling, or soliciting purchases of, products, merchandise, goods, or services, without prior consent from the person or 5 persons specified in subdivision (c), shall be liable for any damages sustained by the person or persons injured as a result thereof. In addition, in any action brought under this section, the person who violated the section shall be liable to the injured party or parties in an amount equal 10 to the greater of seven hundred fifty dollars (\$750) or the actual damages suffered by the injured party or parties, as a result of the unauthorized use, and any profits from 12 13 the unauthorized use that are attributable to the use and 14 are not taken into account in computing the actual damages. In establishing these profits, the injured party 15 16 or parties shall be required to present proof only of the 17 gross revenue attributable to the use and the person who 18 violated the section is required to prove his or her deductible expenses. Punitive damages may also be awarded to the injured party or parties. The prevailing 21 party or parties in any action under this section shall also 22 be entitled to attorneys' fees and costs. 23

(b) The rights recognized under this section are 24 property rights, freely transferable, in whole or in part, by contract or by means of trust or testamentary documents, whether the transfer occurs before the death of the deceased personality, by the deceased personality or his or her transferees, or, after the death of the deceased personality, by the person or persons in whom the rights vest under this section or the transferees of that person or persons.

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- (c) The consent required by this section shall be 33 exercisable by the person or persons to whom the right of consent, consent, or portion thereof, has transferred in accordance with subdivision (b), or if no 36 such transfer has occurred, then by the person or persons to whom the right of consent, or portion thereof, has passed in accordance with subdivision (d).
- (d) Subject to subdivisions (b) and (c), after the death 39 of any person, the rights under this section shall belong to

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the following person or persons and may be exercised, on behalf of and for the benefit of all of those persons, by 3 those persons who, in the aggregate, are entitled to more than a one-half interest in the rights:

- (1) The entire interest in those rights belong to the 6 surviving spouse of the deceased personality unless there are any surviving children or grandchildren of the deceased personality, in which case one-half of the entire interest in those rights belong to the surviving spouse.
- (2) The entire interest in those rights belong to the surviving children of the deceased personality and to the surviving children of any dead child of the deceased personality unless the deceased personality 14 surviving spouse, in which case the ownership of a 15 one-half interest in rights is divided among the surviving 16 children and grandchildren.
- (3) If there is no surviving spouse, and no surviving 18 children or grandchildren, then the entire interest in those rights belong to the surviving parent or parents of the deceased personality.
- (4) The rights of the deceased personality's children 22 and grandchildren are in all cases divided among them 23 and exercisable in the manner provided in Section 240 of the Probate Code according to the number of the deceased personality's children represented. The share of 26 the children of a dead child of a deceased personality can be exercised only by the action of a majority of them.
- (e) If any deceased personality does not transfer his or 29 her rights under this section by contract, or by means of 30 a trust or testamentary document, and there are no surviving persons as described in subdivision (d), then the rights set forth in subdivision (a) shall terminate.
- successor-in-interest to the rights of a (f) (1) A 34 deceased personality under this section or a licensee 35 thereof may not recover damages for a use prohibited by 36 this section that occurs before the successor-in-interest or 37 licensee registers a claim of the rights under paragraph 38 (2).
- 39 (2) Any person claiming to be a successor-in-interest to the rights of a deceased personality under this section

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or a licensee thereof may register that claim with the Secretary of State on a form prescribed by the Secretary 3 of State and upon payment of a fee as set forth in 4 subdivision (d) of Section 12195 of the Government 5 Code. The form shall be verified and shall include the 6 name and date of death of the deceased personality, the name and address of the claimant, the basis of the claim, and the rights claimed. 9

- (3) Upon receipt and after filing of any document 10 under this section, the Secretary of State may microfilm or reproduce by other techniques any of the filings or 12 documents and destroy the original filing or document. 13 The microfilm or other reproduction of any document 14 under this section shall be admissible in any court of law. The microfilm or other reproduction of any document 16 may be destroyed by the Secretary of State 50 years after the death of the personality named therein.
- (4) Claims registered under this subdivision shall be 19 public records.

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- (g) No action shall be brought under this section by 21 reason of any use of a deceased personality's name, voice, signature, photograph, or likeness occurring after the expiration of 50 years from the death of the deceased personality.
- (h) As used in this section, "deceased personality" 26 means any natural person whose name, voice, signature, photograph, or likeness has commercial value at the time 28 of his or her death, whether or not during the lifetime of that natural person the person used his or her name, 30 voice, signature, photograph, or likeness on products, merchandise or goods, or for purposes advertising or selling, or solicitation of purchase of, products, merchandise, goods-or services, or services. A 34 "deceased personality" shall include, without limitation, any such natural person who has died within 50 years prior to January 1, 1985.
- (i) As used in this section, "photograph" means any 38 photograph photographic reproduction, or still moving, or any video tape or live television transmission, of any person, such that the deceased personality is

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readily identifiable. A deceased personality shall be deemed to be readily identifiable from a photograph when one who views the photograph with the naked eye can reasonably determine who the person depicted in the photograph is. 5

- (j) For purposes of this section, a use of a name, voice, signature, photograph, or likeness in connection with any news, public affairs, or sports broadcast or account, or any political campaign, shall not constitute a use for which 10 consent is required under subdivision (a).
- (k) The use of a name, voice, signature, photograph, or 12 likeness in a commercial medium shall not constitute a use for which consent is required under subdivision (a) 14 solely because the material containing the use commercially sponsored or contains paid advertising. 16 Rather, it shall be a question of fact whether or not the use of the deceased personality's name, voice, signature, 18 photograph, or likeness was so directly connected with the commercial sponsorship or with the paid advertising 20 as to constitute a use for which consent is required under subdivision (a).
- (1) Nothing in this section shall apply to the owners or 23 employees any medium used for of advertising, 24 including, but not limited to, newspapers, magazines, and television networks stations, 25 radio and 26 television systems, billboards, and transit ads, by whom any advertisement or solicitation is in violation of this 28 section is published or disseminated, unless it is established that the owners or employees had knowledge 30 of the unauthorized use of the deceased personality's name, voice, signature, photograph, or likeness prohibited by this section.
- (m) The remedies provided for in this section are 34 cumulative and shall be in addition to any others provided for by law.
- (n) This section shall not apply to the use of a deceased 36 37 personality's name, voice, signature, photograph, 38 likeness, in any of the following instances:
- 39 play, book, magazine, newspaper, composition, film, radio or television program, other than

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advertisement or commercial 1 announcement an not exempt under paragraph (4).

- (2) Material that is of political or newsworthy value.
- (3) Single and original works of fine art.

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- (4) An advertisement or commercial announcement for a use permitted by paragraph (1), (2), or (3).
- SEC. 10. Section 1782 of the Civil Code is amended to 8
- 1782. (a) Thirty days or more prior to the 10 commencement of an action for damages pursuant to this title, the consumer shall do the following:
- (1) Notify the person alleged to have employed or 13 committed methods, acts, or practices declared unlawful 14 by Section 1770 of the particular alleged violations of 15 Section 1770.
 - (2) Demand that the person correct, repair, replace, or otherwise rectify the goods or services alleged to be in violation of Section 1770.

The notice shall be in writing and shall be sent by 20 certified or registered mail, return receipt requested, to the place where the transaction occurred, or to the person's principal place of business within California.

- (b) Except as provided in subdivision (c), no action for 24 damages may be maintained under Section 1780 if an appropriate correction, repair, replacement, other 26 remedy is given, or agreed to be given within a reasonable time, to the consumer within 30 days after 28 receipt of the notice.
- (c) No action for damages may be maintained under 30 Section 1781 upon a showing by a person alleged to have employed or committed methods, acts, or practices declared unlawful by Section 1770 that all of the following exist:
- 34 similarly (1) All consumers situated have 35 identified, or a reasonable effort to identify such other 36 consumers has been made.
- (2) All consumers so identified have been notified that 38 upon their request the person shall make the appropriate correction, repair, replacement, or other remedy of the goods and services.

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correction, repair, replacement, or (3) The other remedy requested by the consumers has been, or, in a reasonable time, shall be, given.

- The person has ceased from engaging, or if 5 immediate cessation is impossible or unreasonably expensive under the circumstances, the person will, within a reasonable time, cease to engage, in the methods, act, or practices.
- (d) An action for injunctive relief brought under the 10 specific provisions of Section 1770 may be commenced without compliance with subdivision (a). Not less than 30 12 days after the commencement of an action for injunctive 13 relief, and after compliance with subdivision (a), the 14 consumer may amend his or her complaint without leave court to include a request for damages. The appropriate provisions of subdivision (b) or (c) shall be 16 applicable if the complaint for injunctive relief is 18 amended to request damages.
- (e) Attempts to comply with this section by a person 20 receiving a demand shall be construed to be an offer to and shall be inadmissible as evidence compromise 1152 22 pursuant to Section of the Evidence Code. 23 Furthermore, these attempts to comply with a demand 24 shall not be considered an admission of engaging in an act 25 or practice declared unlawful by Section 1770. Evidence 26 of compliance or attempts to comply with this section may be introduced by a defendant for the purpose of establishing good faith or to show compliance with this section.
- SEC. 11. Section 1812.214 of the Civil Code is 30 31 amended to read:
- 1812.214. (a) Every seller of seller-assisted marketing plans other than a California corporation shall file with 34 the Attorney General an irrevocable consent appointing 35 the Attorney General or successor in office to act as the 36 seller's attorney to receive service or any lawful process 37 in any noncriminal suit, action, or proceeding against the 38 seller or the seller's successor, executor, or administrator, that may arise under this title. When service is made upon the Attorney General, it shall have the same force and

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validity as if served personally on the seller. Service may be made by leaving a copy of the process in the office of the Attorney General, but it shall not be effective unless:

(1) The plaintiff forthwith sends by first-class mail a notice of the service upon the Attorney General and a copy of the process to the defendant or respondent at the last address on file with the Attorney General; and

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- (2) The plaintiff's affidavit of compliance with this section is filed in the case on or before the return date of the process, if any, or within such further time as the court allows.
- (b) If, pursuant to subdivision (c) of Section 1812.204, a seller must obtain a surety bond or establish a trust account, the following procedures apply:
- (1) If a bond is obtained, a copy of it shall be filed with 16 the Attorney General; if a trust account is established, notification of the depository, the trustee, account number shall be filed with the Attorney General.
 - (2) The bond or trust account required shall be in favor of the State of California for the benefit of any person who is damaged by any violation of this title or by the seller's breach of a contract subject to this title or of any obligation arising therefrom. The trust account shall also be in favor of any person damaged by these practices.
 - (3) Any person claiming against the trust account for a violation of this title may maintain an action at law against the seller and the trustee. The surety or trustee shall be liable only for actual damages and not the punitive damages permitted under Section 1812.218. The aggregate liability of the trustee to all persons damaged by a seller's violation of this title shall in no event exceed the amount of the trust account.
- (4) The bond or the trust account shall be in an amount 34 equal to the total amount of the "initial payment" section of all seller-assisted marketing plan contracts the seller 36 has entered into during the previous year or three hundred thousand dollars (\$300,000), whichever is less, but in no case shall the amount be less than fifty thousand dollars (\$50,000). The amount required shall be adjusted twice a year, no later than the tenth day of the first month

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of the seller's fiscal year and no later than the tenth day of the seventh month of the seller's fiscal year. A seller need only establish a bond or trust account in the amount of fifty thousand dollars (\$50,000) at the commencement of business and during the first six months the seller is in business. By the tenth day of the seller's seventh month in business, the amount of the bond or trust account shall be established as provided for herein as if the seller had been in business for a year.

- (c) If, pursuant to subdivision (b) of Section 1812.210, a seller utilizes an escrow account to receive those portions of the downpayment in excess of 20 percent of 13 the initial payment before delivery to the purchaser of 14 the equipment, supplies, or products or services to be 15 furnished under the terms of the contract, the following 16 procedures shall apply:
- (1) The holder of the escrow account shall 18 independent of the seller, and the seller shall not have any authority to direct disbursements from the 20 account by the holder except upon written notification by 21 the purchaser to the holder of the escrow account of the delivery of the equipment, supplies, or products as required by and within the time limits set forth in the seller-assisted marketing plan contract.
 - name (2) The and address of the escrow accountholder, the name of the institution, the branch and account number of the escrow account shall be reported to the Attorney General by the seller.
- (3) Any person claiming against the escrow account 30 for a violation of this title may maintain an action at law against the seller and the escrow accountholder. The 32 escrow accountholder shall be liable only for actual damages and not the punitive damages permitted under 34 Section 1812.218. The aggregate liability of the escrow accountholder to all persons damaged by a seller's 36 violation of this title shall in no event exceed the amount of the escrow account.
- SEC. 12. Section 1018 of the Code of Civil Procedure 38 39 is repealed.

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SEC. 13. Section 2104 of the Code of Civil Procedure is amended to read:

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2104. The fee charged for recording and indexing each notice of lien or certificate or notice affecting the lien filed with the county recorder shall be the same as 6 those established by Article 5 (commencing with Section 27360) of Chapter 6 of Part 3 of Division 2 of Title 3 of the 8 Government Code for the recording and indexing of documents.

The fee for filing and indexing each notice of lien or certificate or notice affecting the lien with the office of the Secretary of State is set forth in subdivision (a) of Section 12194 of the Government Code.

The officer shall bill the district directors of internal 15 revenue or other appropriate federal officials on a 16 monthly basis for fees for documents recorded or filed by the county recorder or the Secretary of State.

SEC. 14. Section 9403 of the Commercial Code is 18 19 amended to read:

9403. (1) Presentation for filing of statement, tender of the filing fee and acceptance of the statement by the filing officer constitutes filing under this division.

- (2) Except as provided in subdivision (6), a filed 25 financing statement is effective for a period of five years 26 from the date of filing. The effectiveness of a filed 27 financing statement lapses on the expiration of the 28 five-year period unless a continuation statement is filed 29 prior to the lapse. Upon the lapse the security interest 30 becomes unperfected unless it is perfected without filing. 31 If the security interest becomes unperfected upon lapse, 32 it is deemed to have been unperfected as against a person who became a purchaser or lien creditor before lapse. 34 Upon lapse of a fixture filing, it is deemed to have been 35 ineffective as against a person who became a purchaser 36 or lien creditor before lapse.
- 37 (3) A continuation statement may be filed by the 38 secured party of record within six months prior to the expiration of the five-year period specified in subdivision 40 (2). Any such The continuation statement must be signed

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by the secured party of record, identify the original statement by file number thereof, and state that the 3 original statement is continued. A continuation continue the effectiveness of a statement filed to financing statement filed as a fixture filing (Section 9313) is not effective unless the following requirements are met:

- (a) If the debtor did not have an interest of record in the real estate as of the date of the filing of the original 10 statement, the continuation statement shall contain the name of a record owner of the real estate as of the date of the filing of the original statement.
- (b) The continuation statement shall 14 substantially the following statement: "This continuation 15 statement is filed to continue the effectiveness of a 16 financing statement filed as a fixture filing." The continuation statement shall clearly indicate the intent to 18 continue the effectiveness of a financing statement as a 19 fixture filing.

Upon timely filing of the continuation statement, the 21 effectiveness of the original statement is continued for 22 five years after the last date to which the filing was 23 effective whereupon it lapses in the same manner as 24 provided in subdivision (2) unless another continuation 25 statement is filed prior to the Succeeding lapse. 26 continuation statements may be filed in the same manner 27 to continue the effectiveness of the original statement. The filing officer may remove a lapsed financing statement and related filings from the files and destroy 30 them immediately if he or she has retained a microfilm or other photographic record, or in other cases after one 32 year after the lapse. The filing officer shall so arrange 33 matters by physical annexation of financing statements to 34 continuation statements or other related filings, or by 35 other means, that if he or she physically destroys the 36 financing statements of a period more than five years past, those which that have been continued by a 38 continuation statement or that are still effective under subdivision (6) shall be retained. The filing officer shall not destroy a financing statement and related filings as to **— 17 — SB 284**

which he or she has received written notice that there is an action pending relative thereto.

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- (4) Except as provided in subdivision (7) a filing officer shall mark each financing statement with a consecutive file number and with the date and time of filing and shall hold the statement or a microfilm or other photographic copy thereof for public inspection. addition, the filing officer shall index the statement according to the name of the debtor and shall note in the index the file number and the address of the debtor given in this statement. The filing officer shall mark each continuation statement with the date and time of filing and shall index the same under the file number of the original financing statement.
- (5) The uniform fee for filing, indexing, and furnishing 16 filing data (subdivision (1) of Section 9407) for an original financing statement, an amendment, or a continuation statement is set forth in subdivision (b) of Section 12194 of the Government Code.
- (6) If the debtor is a transmitting utility (subdivision 21 (5) of Section 9401) and a filed financing statement so states, it is effective until a termination statement is filed. A real estate mortgage that is effective as a fixture filing under subdivision (6) of Section 9402 remains effective as a fixture filing until the mortgage is released or satisfied of record or its effectiveness otherwise terminates as to the real estate.
- 28 (7) A financing or continuation statement covering collateral described in paragraph (b) of subdivision (1) of Section 9401 or filed as a fixture filing shall be recorded and indexed by the filing officer in the real property index of grantors under the name of the debtor and any owner of record shown on the financing statement. A financing 34 or continuation statement so recorded and indexed and containing a description of real property affected thereby 36 shall constitute constructive notice from the time of its 37 acceptance for recording to any purchaser encumbrancer of the real property of the security 38 interest in such collateral.

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SEC. 15. Section 9404 of the Commercial Code is amended to read:

9404. (1) Whenever there is no outstanding secured obligation and no commitment to make advances, incur obligations, or otherwise give value, the secured party of 6 record must on written demand by the debtor send the debtor a statement that he or she no longer claims a security interest under the financing statement, which shall be identified by file number. If the affected secured 10 party of record fails to send a termination statement 11 within 10 days after proper demand therefor he or she 12 shall be liable to the debtor for all actual damages suffered 13 by the debtor by reason of that failure, and if the failure 14 is in bad faith for a penalty of one hundred dollars (\$100).

- (2) The filing officer shall mark each such termination 16 statement with the date and time of filing and shall index 17 the same under the name of the debtor and under the file 18 number of the original financing statement. If the filing 19 officer has a microfilm or other photographic record of 20 the financing statement and related filings, the filing 21 officer may remove the originals from the files at any time 22 after receipt of the termination statement and destroy 23 them, or if he or she has no such record, he or she may 24 remove them from his or her files at any time after one 25 year after receipt of the termination statement and destroy them.
- (3) The uniform fee for filing, indexing and furnishing 28 filing data (subdivision (1) of Section 9407) for a termination statement is set forth in subdivision (b) of Section 12194 of the Government Code.
- 31 SEC. 16. Section 9405 of the Commercial Code is 32 amended to read:
- 9405. (1) A secured party of record may by a writing 34 release his or her security interest in all or a part of the collateral covered by a filed financing statement. A 36 statement of release is sufficient if it is signed by the secured party of record and contains a statement describing the collateral being released, the name of the debtor, and the file number of the original financing statement.

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(2) The filing officer shall mark each such statement with the date and time of filing and index the same under the name of the debtor and under the file number of the original financing statement.

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- (3) The uniform fee for filing, indexing and furnishing filing data (subdivision (1) of Section 9407) for a statement of release on a form conforming to standards prescribed by the Secretary of State is set forth in subdivision (b) of Section 12194 of the Government Code.
- SEC. 17. Section 9406 of the Commercial Code is 10 amended to read:
- 9406. (1) If a secured party assigns all or part of his or her security interest in all or part of collateral covered by a filed financing statement, a statement of assignment may be filed. The statement shall be signed by the 16 secured party and shall give the name and mailing address of the assignee, the names of the assignor secured party and the debtor, the file number of the original financing statement, and, if the assignment is less than a full assignment of all of the security interest in all of the collateral covered by the filed financing statement, a description of the collateral affected by the assignment.
- (2) The filing officer shall mark each such statement 24 of assignment with the date and time of filing and shall index the same under the name of the debtor and under the file number of the original financing statement.
- (3) A statement of assignment may be filed at the time 28 of the filing of the financing statement, in which event the filing officer shall first file the financing statement and 30 index the assignment under the name of the debtor and under the file number given the financing statement. An assignment endorsed on the financing statement before it is filed with the filing officer need not be indexed by the filing officer.
- (4) The uniform fee for filing, indexing, and furnishing 36 filing data (subdivision (1) of Section 9407) for a separate statement of assignment is set forth in subdivision (b) of Section 12194 of the Government Code.
- 39 (5) Whenever a continuation statement, amendment to a financing statement, a termination

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statement, a statement of release, or a statement of assignment signed by one other than the secured party of 3 record is presented for filing it must be accompanied by a statement of assignment signed by the secured party of 5 record covering the collateral to which the continuation statement. amendment, termination statement, or assignment applies.

- (6) Wherever in this code reference is made to the secured party of record it means the secured party named 10 in the original financing statement or, if a statement of assignment has been filed, or an assignee has been named 12 in the financing statement before it is filed, the assignee 13 of the security interest in the collateral affected. Any 14 continuation statement, amendment to a financing 15 statement, termination statement, statement of release, 16 or statement of assignment signed by one other than the 17 secured party of record as to the collateral affected 18 thereby shall be ineffective for any purpose except as between the parties thereto.
- 20 SEC. 18. Section 9409 of the Commercial Code is 21 amended to read:
- 9409. (a) Upon request of any person, the Secretary 23 of State shall issue a combined certificate showing the 24 information as to financing statements as specified in 25 Section 9407, the information as to state tax liens as 26 specified in Section 7226 of the Government Code, the 27 information as to attachment liens as specified in Sections 28 488.375 and 488.405 of the Code of Civil Procedure, the 29 information as to judgment liens as specified in Section 30 697.580 of the Code of Civil Procedure, and the 31 information as to federal liens as specified in Section 2103 32 of the Code of Civil Procedure.
- 33 (b) The fee for the certificate is set forth in Section 34 12183 of the Government Code. The fee for copies is set forth in Section 12182 of the Government Code.
- SEC. 19. Section 1107.5 is added to the Corporations 36 37 Code, to read:
- 38 1107.5. (a) Upon merger pursuant to this chapter, a surviving domestic corporation shall assume the liability of a domestic disappearing corporation (1) to prepare

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and file, or to cause to be prepared and filed, tax and information returns otherwise required of the domestic corporation under Bank disappearing the Law (Part 4 Corporation Tax 11 (commencing with 5 Section 23001) of Division 2 of the Revenue and Taxation Code) and (2) to pay any tax liability determined to be 7 due.

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- (b) Notwithstanding Sections 1103, 1108, and 1110 of this code and Section 23334 of the Revenue and Taxation 10 Code, if (1) the articles of incorporation of a domestic disappearing corporation were filed 60 days or less prior to the date of filing of the merger and (2) the surviving corporation is a domestic corporation, the Secretary of State shall file the merger without the certificate of satisfaction of the Franchise Tax Board and shall notify the Franchise Tax Board of the merger.
- SEC. 20. Section 1502 of the Corporations Code is 17 18 amended to read:
 - 1502. (a) Every corporation shall file, within 90 days after the filing of its original articles and biennially thereafter during the applicable filing period, on a form prescribed by the Secretary of State, a containing all of the following:
 - (1) The names and complete business or residence addresses of its incumbent directors.
 - (2) The number of vacancies on the board, if any.
 - (3) The names and complete business or residence addresses of its chief executive officer, secretary, and chief financial officer.
 - (4) The street address of its principal executive office.
- (5) The If the address of its principal executive office 32 is not in this state, the street address of its principal business office in this state, if any.
- (6) A statement of the general type of business that 34 35 constitutes the principal business activity corporation (for example, manufacturer wholesale liquor distributor; or retail department store). 37
- 38 (b) The statement required by subdivision (a) shall also designate, as the agent of the corporation for the purpose of service of process, a natural person residing in

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this state or a corporation that has complied with Section 1505 and whose capacity to act as an agent has not terminated. If a natural person is designated, statement shall set forth that person's complete business or residence address. If a corporate agent is designated, 6 no address for it shall be set forth.

- (c) If there has been no change in the information in the last filed statement of the corporation on file in the Secretary of State's office, the corporation may, in lieu of 10 filing the statement required by subdivisions (a) and (b), advise the Secretary of State, on a form prescribed by the 12 Secretary of State, that no changes in the required 13 information have occurred during the applicable filing 14 period.
- (d) For the purposes of this section, the applicable 16 filing period for a corporation shall be the calendar month 17 during which its original articles were filed and the 18 immediately preceding five calendar months. 19 Secretary of State shall mail a form for compliance with 20 this section to each corporation approximately three 21 months prior to the close of the applicable filing period. 22 The form shall state the due date thereof and shall be 23 mailed to the last address of the corporation according to 24 the records of the Secretary of State. The failure of the 25 corporation to receive the form is not an excuse for failure 26 to comply with this section.
- (e) Whenever any of the information required by 28 subdivision (a) is changed, the corporation may file a containing statement all the 30 required by subdivisions (a) and (b). In order to change 31 its agent for service of process or the address of the agent, 32 the corporation must file a current statement containing all the information required by subdivisions (a) and (b). 34 Whenever any statement is filed pursuant to this section, 35 it supersedes any previously filed statement and the 36 statement in the articles as to the agent for service of process and the address of the agent.
- (f) The Secretary of State may destroy or otherwise 38 dispose of any statement filed pursuant to this section

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after it has been superseded by the filing of a new 2 statement.

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- (g) This section shall not be construed to place any person dealing with the corporation on notice of, or under any duty to inquire about, the existence or content of a statement filed pursuant to this section.
- SEC. 21. Section 1905 of the Corporations Code is 8 amended to read:
- 1905. (a) When a corporation has been completely 10 wound up without court proceedings therefor, a majority of the directors then in office shall sign and verify a certificate of dissolution stating:
- (1) That the corporation has been completely wound 14 up.
- (2) That its known debts and liabilities have been 16 actually paid, or adequately provided for, or paid or adequately provided for as far as its assets permitted, or that it has incurred no known debts or liabilities, as the case may be. If there are known debts or liabilities for payment of which adequate provision has been made, the certificate shall state what provision has been made, setting forth the name and address of the corporation, person or governmental agency that has assumed or guaranteed the payment, or the name and address of the 25 depositary with which deposit has been made or such any other information as that may be necessary to enable the creditor or other person to whom payment is to be made to appear and claim payment of the debt or liability.
- (3) That the tax liability will be satisfied on a taxes paid 30 basis or that a person or corporation or other business entity assumes the tax liability, if any, of the dissolving corporation as security for the issuance of a tax clearance certificate from the Franchise Tax Board responsible for additional corporate taxes, if any, that are assessed and that become due after the date of the assumption of the tax liability.
 - (4) That its known assets have been distributed to the persons entitled thereto or that it acquired no known assets, as the case may be.
 - (5) That the corporation is dissolved.

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(6) If no certificate of election is to be filed pursuant to subdivision (c) of Section 1901, that the election to dissolve was made by the vote of all the outstanding shares.

- (b) The assumption agreement specified in paragraph (3) of subdivision (a) shall be submitted to the Secretary of State for transmittal to the Franchise Tax Board. The statement provided for in paragraph (3) of subdivision (a) need not be set forth in the certificate if the 10 assumption agreement specified therein is submitted to the Secretary of State with the certificate.
- 12 (c) The certificate of dissolution shall be filed with the 13 Secretary of State and thereupon the corporate powers, 14 rights, and privileges of the corporation shall cease. The Secretary of State shall notify the Franchise Tax Board of 16 the filing and shall forward to the Franchise Tax Board 17 statement of assumption of tax liability any accompanying the certificate of dissolution. Franchise Tax Board shall determine from the available 20 evidence whether or not all taxes imposed on the 21 corporation pursuant to Part 11 (commencing 22 Section 23001) of Division 2 of the Revenue and Taxation 23 Code have been paid or secured and shall notify the 24 taxpayer of any outstanding tax liability and the necessity 25 of satisfying the liability. The Franchise Tax Board shall 26 notify the Secretary of State when all taxes imposed on the corporation pursuant to Part 11 (commencing with 28 Section 23001) of Division 2 of the Revenue and Taxation 29 Code have been paid or secured, at which time the 30 corporation shall be dissolved as of the date of filing the certificate of dissolution and thereupon its corporate 32 existence shall cease.
- (d) When a corporation files a certificate of dissolution 34 the Secretary of State shall notify the corporation that the corporation will be dissolved as of the date of filing only 36 if the Franchise Tax Board notifies the Secretary of State that all taxes imposed on the corporation pursuant to Part 11 (commencing with Section 23001) of Division 2 of the

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1 SEC. 22. Section 2117 of the Corporations Code is 2 amended to read:

3 2117. (a) Every foreign corporation (other than a qualified foreign association) to transact intrastate business shall file, biennially during the applicable filing 5 period, on a form prescribed by the Secretary of State, a complete statement containing: (1) the names and business or residence addresses of its chief executive officer, secretary, and chief financial officer; (2) the 10 street address of its principal executive office; (3) the street address of its principal business office in this state, 12 if any; and (4) a statement of the general type of business 13 that constitutes the principal business activity of the 14 corporation (for example, manufacturer of aircraft: 15 wholesale liquor distributor; or retail department store). 16 If the officers of the corporation use other titles, the 17 statement shall include the officers performing 18 comparable duties under other titles. If the corporation has no officers, or has no officers who are natural persons, the statement shall include the names of natural persons 21 performing comparable duties for the corporation 22 pursuant to a management contract or other 23 arrangement. 24

- 24 (b) The statement required by subdivision (a) shall 25 also designate, as the agent of the corporation for the 26 purpose of service of process, a natural person residing in 27 this state or a corporation that has complied with Section 28 1505 and whose capacity to act as the agent has not 29 terminated. If a natural person is designated, the 30 statement shall set forth the person's complete business or residence address. If a corporate agent is designated, 32 no address for it shall be set forth.
- 33 (c) Whenever any of the information required by 34 subdivision (a) is changed, the corporation may file a 35 current statement containing all the information 36 required by subdivisions (a) and (b). In order to change 37 its agent for service of process or the address of the agent, 38 the corporation shall file a current statement containing 39 all the information required by subdivisions (a) and (b). 40 Whenever any statement is filed pursuant to this section,

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it supersedes any previously filed statement and the statement in the filing pursuant to Section 2105.

- (d) Subdivisions (c), (d), (f), and (g) of Section 1502 apply to statements filed pursuant to this section except 5 that "articles" shall mean the filing pursuant to Section 6 2105.
- SEC. 23. Section 2205 of the Corporations Code is amended to read:
- 2205. (a) A corporation that (1) fails to file a 10 statement pursuant to Section 1502 for an applicable filing period, (2) has not filed a statement pursuant to Section 1502 during the preceding 24 months, and (3) was 12 13 certified for penalty pursuant to Section 2204 for the same 14 filing period, shall be subject to suspension pursuant to 15 this section rather than to penalty pursuant to Section 16 2204.
- (b) When subdivision (a) is applicable, the Secretary 18 of State shall mail a notice to the corporation informing the corporation that its corporate powers, rights, and privileges will be suspended after 60 days if it fails to file a statement pursuant to Section 1502.
- (c) After the expiration of the 60-day period without statement filed pursuant to Section 1502, the Secretary of State shall notify the Franchise Tax Board of 25 the suspension, and mail a notice of the suspension to the corporation and thereupon, except for the purpose of amending the articles of incorporation to set forth a new name, the corporate powers, rights, and privileges of the corporation are suspended.
- 30 (d) A statement pursuant to Section 1502 may be filed 31 notwithstanding suspension of the corporate powers, 32 rights, and privileges pursuant to this section or Section 23301 or 23301.5 of the Revenue and Taxation Code. Upon 34 the filing of a statement pursuant to Section 1502 by a 35 corporation that has suffered suspension pursuant to this 36 section, the Secretary of State shall certify that fact to the 37 Franchise Tax Board and the corporation may thereupon be relieved from suspension unless the corporation is held in suspension by the Franchise Tax Board by reason of

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Section 23301 or 23301.5 of the Revenue and Taxation 2 Code.

3 SEC. 24. Section 5008.6 of the Corporations Code is amended to read:

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- 5008.6. (a) A corporation that (1) fails to file a statement pursuant to Section 6210, 8210, or 9660 for an applicable filing period, (2) has not filed a statement pursuant to Section 6210, 8210, or 9660 during the preceding 24 months, and (3) was certified for penalty pursuant to Section 6810, 8810, or 9690 for the same filing period, shall be subject to suspension pursuant to this section rather than to penalty under Section 6810 or 8810.
- (b) When subdivision (a) is applicable, the Secretary 14 of State shall mail a notice to the corporation informing the corporation that its corporate powers, rights, and 16 privileges will be suspended 60 days from the date of the notice if the corporation does not file the statement required by Section 6210, 8210, or 9660.
- (c) If the 60-day period expires without the delinquent 20 corporation filing the required statement, the Secretary 21 of State shall notify the Franchise Tax Board of the suspension, and mail a notice of the suspension to the 23 corporation. Thereupon, except for the purpose amending the articles of incorporation to set forth a new name or filing an application for exempt status, the corporate powers, rights, and privileges corporation are suspended.
- 28 (d) A statement required by Section 6210, 8210, or 9660 filed. notwithstanding suspension 30 corporate under powers, rights, and privileges section or under provisions of the Revenue and Taxation 32 Code. Upon the filing of a statement under Section 6210, 8210, or 9660, by a corporation that has suffered 34 suspension under this section, the Secretary of State shall 35 certify that fact to the Franchise Tax Board and the 36 corporation may thereupon, in accordance with Section 37 23305a of the Revenue and Taxation Code, be relieved 38 from suspension, unless the corporation is held in suspension by the Franchise Tax Board because of Section

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23301, 23301.5, or 23775 of the Revenue and Taxation Code.

- 3 SEC. 25. Section 6210 of the Corporations Code is amended to read:
- 6210. (a) Every corporation shall, within 90 days 6 after the filing of its original articles and biennially thereafter during the applicable filing period, file, on a form prescribed by the Secretary of State, a statement containing: (1) the names and complete business or 10 residence addresses of its chief executive officer. secretary, and chief financial officer; and (2) the street address of its principal office in this state, if any. 12
- (b) The statement required by subdivision (a) shall 14 also designate, as the agent of the corporation for the purpose of service of process, a natural person residing in 16 this state or any domestic or foreign or foreign business corporation that has complied with Section 1505 and 18 whose capacity to act as an agent has not terminated. If 19 a natural person is designated, the statement shall set 20 forth the person's complete business or residence address. 21 If a corporate agent is designated, no address for it shall 22 be set forth.
- (c) For the purposes of this section, the applicable 24 filing period for a corporation shall be the calendar month 25 during which its original articles were filed and the 26 immediately preceding five calendar months. Secretary of State shall mail a form for compliance with section to each corporation approximately three months prior to the close of the applicable filing period. The form shall state the due date thereof and shall be mailed to the last address of the corporation according to 32 the records of the Secretary of State. Neither the failure of the Secretary of State to mail the form nor the failure 34 of the corporation to receive it is an excuse for failure to comply with this section.
- (d) Whenever any of the information required by 37 subdivision (a) is changed, the corporation may file a containing all the information 38 current statement required by subdivisions (a) and (b). In order to change 40 its agent for service of process or the address of the agent,

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the corporation must file a current statement containing all the information required by subdivisions (a) and (b). Whenever any statement is filed pursuant to this section, 4 it supersedes any previously filed statement and the statement in the articles as to the agent for service of process and the address of the agent.

(e) The Secretary of State may destroy or otherwise dispose of any statement filed pursuant to this section after it has been superseded by the filing of a new statement.

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- (f) This section shall not be construed to place any person dealing with the corporation on notice of, or under any duty to inquire about, the existence or content of a statement filed pursuant to this section.
- SEC. 26. Section 8210 of the Corporations Code is 16 amended to read:
- 8210. (a) Every corporation shall, within 90 days 18 after the filing of its original articles and biennially thereafter during the applicable filing period, file, on a form prescribed by the Secretary of State, a statement containing: (1) the names and complete business or residence addresses of its chief executive secretary, and chief financial officer; and (2) the street address of its principal office in this state, if any.
- (b) The statement required by subdivision (a) shall also designate, as the agent of the corporation for the purpose of service of process, a natural person residing in this state or any domestic or foreign or foreign business corporation that has complied with Section 1505 and 30 whose capacity to act as an agent has not terminated. If 31 a natural person is designated, the statement shall set 32 forth the person's complete business or residence address. If a corporate agent is designated, no address for it shall 34 be set forth.
- 35 (c) For the purposes of this section, the applicable 36 filing period for a corporation shall be the calendar month during which its original articles were filed and the 38 immediately preceding five calendar months. The Secretary of State shall mail a form for compliance with this section to each corporation approximately three

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months prior to the close of the applicable filing period. The form shall state the due date thereof and shall be mailed to the last address of the corporation according to the records of the Secretary of State. Neither the failure of the Secretary of State to mail the form nor the failure of the corporation to receive it is an excuse for failure to comply with this section.

- (d) Whenever any of the information required by subdivision (a) is changed, the corporation may file a 10 current statement containing all the information required by subdivisions (a) and (b). In order to change 12 its agent for service of process or the address of the agent, 13 the corporation must file a current statement containing 14 all the information required by subdivisions (a) and (b). Whenever any statement is filed pursuant to this section, 16 it supersedes any previously filed statement and the statement in the articles as to the agent for service of process and the address of the agent.
 - (e) The Secretary of State may destroy or otherwise dispose of any statement filed pursuant to this section after it has been superseded by the filing of a new statement.
 - (f) This section shall not be construed to place any person dealing with the corporation on notice of, or under any duty to inquire about, the existence or content of a statement filed pursuant to this section.
 - SEC. 27. Section 15800 of the Corporations Code is amended to read:

15800. Every partnership, other than foreign limited partnership subject to Chapter 3 (commencing Section 15611) or a commercial or partnership established and transacting business in a place without the United States, that is domiciled without 34 this state and has no regular place of business within this state, shall, within 40 days from the time it commences to 36 do business in this state, file a statement in the office of the Secretary of State in accordance with Section 24003 designating some natural person or corporation as the agent of the partnership upon whom process issued by authority of or under any law of this state directed against — 31 — SB 284

the partnership may be served. A copy of the designation, duly certified by the Secretary of State, is sufficient evidence of the appointment.

The process may be served in the manner provided in 5 subdivision (e) of Section 24003 on the person so designated, or, in the event that no such person has been designated, or if the agent designated for the service of process is a natural person and cannot be found with due diligence at the address stated in the designation, or if the 10 agent is a corporation and no person can be found with due diligence to whom the delivery authorized by subdivision (e) of Section 24003 may be made for the 12 13 purpose of delivery to the corporate agent, or if the agent 14 designated is no longer authorized to act, then service 15 may be made by personal delivery to the Secretary of 16 State, Assistant Secretary of State, or a Deputy Secretary 17 of State of the process, together with a written statement 18 signed by the party to the action seeking the service, or by the party's attorney, setting forth the last known 20 address of the partnership and a service fee as set forth in 21 Section 12197 of the Government Code. The Secretary of 22 State shall forthwith immediately give notice of the 23 service to the partnership by forwarding the process to it 24 by registered mail, return receipt requested, 25 address given in the written statement.

Service on the person designated, or personal delivery of the process and statement of address together with a service fee as set forth in Section 12197 of the Government Code to the Secretary of State, Assistant Secretary of State, or a Deputy Secretary of State, pursuant to this section is a valid service on the partnership. The partnership so served shall appear within 30 days after service on the person designated or within 30 days after delivery of the process to the Secretary of State, Assistant Secretary of State, or a Deputy Secretary of State.

37 SEC. 28. Section 16953 of the Corporations Code is 38 amended to read:

39 16953. (a) To become a registered limited liability 40 partnership, a partnership, other than a limited

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partnership, shall file with the Secretary of State a registration, executed by one or more partners authorized to execute a registration, stating all of the following:

- (1) The name of the partnership.
- (2) The address of its principal office.
- (3) The name and address of the agent for service of process on the limited liability partnership in California.
- (4) A brief statement of the business in which the 10 partnership engages.
- (5) Any other matters that the partnership determines 12 to include.
- (6) That the partnership is registering as a registered 14 limited liability partnership.
- (b) The registration shall be accompanied by a fee as 16 set forth in subdivision (a) of Section 12189 of the 17 Government Code.
- (c) The Secretary of State shall register as a registered 19 limited liability partnership any partnership that submits a completed registration with the required fee.
- (d) The Secretary of State may cancel the filing of the 22 registration if a check or other remittance accepted in payment of the filing fee is not paid upon presentation. receiving written notification that the 25 presented for payment has not been honored for 26 payment, the Secretary of State shall give a first written 27 notice of the applicability of this section to the agent for 28 service of process or to the person submitting the 29 instrument. Thereafter, if the amount has not been paid 30 by cashier's check or equivalent, the Secretary of State 31 shall give a second written notice of cancellation and the 32 cancellation shall thereupon be effective. The second notice shall be given 20 days or more after the first notice 34 and 90 days or less after the date of the original filing.
- partnership becomes a registered limited 36 liability partnership at the time of the filing of the initial registration with the Secretary of State or at any later date or time specified in the registration and the payment of fee required by subdivision (b). A partnership continues as a registered limited liability partnership

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until a notice that it is no longer a registered limited liability partnership has been filed pursuant subdivision (b) of Section 16954 or, if applicable, until it has been dissolved and finally wound up. The status of a partnership as a registered limited liability partnership 6 and the liability of a partner of the registered limited liability partnership shall not be adversely affected by errors or subsequent changes in the information stated in 9 a registration under subdivision (a) or an amended 10 registration or notice under Section 16954. 11

(f) The fact that a registration or amended registration pursuant to this section is on file with the Secretary of 13 State is notice that the partnership is a registered limited 14 liability partnership and of those other facts contained therein that are required to be set forth in the registration 16 or amended registration.

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- (g) The Secretary of State shall provide a form for a 18 registration under subdivision (a), which shall include the form for confirming compliance with the optional security requirement pursuant to subdivision Section 16956.
- (h) A limited liability partnership providing professional limited liability partnership services in this state shall comply with all statutory and administrative registration or filing requirements of the state board, commission, or other agency that prescribes the rules and regulations governing the particular profession in which the partnership proposes to engage, pursuant to the applicable provisions of the Business and Professions 30 Code relating to that profession. No such state board, commission, or other agency shall disclose, compelled by a subpoena or other order of a court of competent jurisdiction, any information it receives in the 34 course of evaluating the compliance of a limited liability partnership with applicable statutory and administrative 36 registration or filing requirements, provided that nothing in this section shall be construed to prevent a state board, commission, or other agency from disclosing the manner in which the limited liability partnership has complied requirements of Section 16956,

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compliance or noncompliance by the limited liability partnership with any other requirements of the state board, commission, or other agency.

SEC. 29. Section 16954 of the Corporations Code is 5 amended to read:

16954. (a) The registration of a registered limited liability partnership may be amended by an amended registration executed by one or more partners authorized to execute an amended registration and filed with the 10 Secretary of State, as soon as reasonably practical after any information set forth in the registration or previously 12 filed amended registration becomes inaccurate or to add 13 information to the registration or amended registration.

- (b) If a registered limited liability partnership ceases 15 to be a registered limited liability partnership, it shall file 16 with the Secretary of State a notice, executed by one or more partners authorized to execute the notice, that it is 18 no longer a registered limited liability partnership. A tax clearance certificate issued by the Franchise Tax Board pursuant to Section 23098 17948.1 of the Revenue and Taxation Code shall be filed with the notice.
- (c) An amendment pursuant to subdivision (a) and a 23 notice pursuant to subdivision (b) shall each accompanied by a fee as set forth in subdivision (c) of 25 Section 12189 of the Government Code.
- (d) The Secretary of State shall provide forms for an 26 27 amended registration under subdivision (a) and a notice under subdivision (b). 29
- SEC. 30. Section 16959 of the Corporations Code is 30 amended to read:

16959. (a) (1) Before transacting intrastate 32 in this state, a foreign limited liability partnership shall comply with all statutory and administrative registration or filing requirements of the state board, commission, or agency that prescribes the rules and regulations which governing a particular profession in the partnership proposes to be engaged, pursuant to the applicable provisions of the Business and Professions Code relating to the profession or applicable rules adopted by the governing board. A foreign limited **— 35 —** SB 284

liability partnership that transacts intrastate business in this state shall within 30 days after the effective date of the act enacting this section or the date on which the foreign 4 limited liability partnership first transacts business in this state, whichever is later, register with the Secretary of State by submitting to the Secretary of State an application for registration as a foreign limited liability partnership, signed by a person with authority to do so under the laws of the jurisdiction of formation of the 10 foreign limited liability partnership, stating the name of the partnership, the address of its principal office, the name and address of its agent for service of process in this 12 13 state, a brief statement of the business in which the 14 partnership engages, and any other matters that partnership determines to include. 15 16

- (2) Annexed to the application for registration shall be 17 a certificate from an authorized public official of the limited liability partnership's jurisdiction organization to the effect that the foreign limited liability 20 partnership is in good standing in that jurisdiction, if the 21 laws of that jurisdiction permit the issuance of those 22 certificates, or, in the alternative, a statement by the 23 foreign limited liability partnership that the laws of its jurisdiction of organization do not permit the issuance of 25 those certificates.
 - (b) The registration shall be accompanied by a fee as set forth in subdivision (b) of Section 12189 of the Government Code.

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- (c) The Secretary of State shall register as a foreign limited liability partnership any partnership that submits completed application for registration required fee.
- (d) The Secretary of State may cancel the filing of the 34 registration if a check or other remittance accepted in payment of the filing fee is not paid upon presentation. Upon receiving written notification that the presented for payment has not been honored 38 payment, the Secretary of State shall give a first written notice of the applicability of this section to the agent for service of process or to the person submitting

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instrument. Thereafter, if the amount has not been paid by cashier's check or equivalent, the Secretary of State 3 shall give a second written notice of cancellation and the cancellation shall thereupon be effective. The second notice shall be given 20 days or more after the first notice and 90 days or less after the original filing.

- (e) A partnership becomes registered as a foreign limited liability partnership at the time of the filing of the initial registration with the Secretary of State or at any 10 later date or time specified in the registration and the payment of the fee required by subdivision (b). A 12 partnership continues to be registered as a foreign 13 limited liability partnership until a notice that it is no 14 longer so registered as a limited liability partnership has 15 been filed pursuant to Section 16960 or, if applicable, once 16 it has been dissolved and finally wound up. The status of a partnership registered as a foreign limited liability 17 18 partnership and the liability of a partner of that foreign 19 limited liability partnership shall not be 20 affected by errors or subsequent changes 21 information stated in an application for registration under subdivision (a) or an amended registration or 23 notice under Section 16960.
- (f) The fact that a registration or amended registration 25 pursuant to Section 16960 is on file with the Secretary of 26 State is notice that the partnership is a foreign limited 27 liability partnership and of those other facts contained 28 therein that are required to be set forth in the registration or amended registration.
- (g) The Secretary of State shall provide a form for a 31 registration under subdivision (a), which shall include the form for confirming compliance with the optional (c) security requirement pursuant to subdivision Section 16956.
- (h) A foreign limited liability partnership transacting 36 intrastate business in this state shall not maintain any action, suit, or proceeding in any court of this state until it has registered in this state pursuant to this section.
- partnership 39 (i) Any foreign limited liability intrastate business in this state 40 transacts

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registration is subject to a penalty of twenty dollars (\$20) for each day that unauthorized intrastate business is transacted, up to a maximum of ten thousand dollars (\$10,000).

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- (j) A partner of a foreign limited liability partnership 6 is not liable for the debts or obligations of the foreign limited liability partnership solely by reason of its having transacted business in this state without registration.
- (k) A foreign limited liability partnership, transacting 10 business in this state without registration, appoints the Secretary of State as its agent for service of process with respect to causes of action arising out of the transaction of business in this state.
 - (1) "Transact intrastate business" as used in this section means to repeatedly and successively provide professional limited liability partnership services in this state, other than in interstate or foreign commerce.
- (m) Without excluding other activities that may not 19 be considered to be transacting intrastate business, a 20 foreign limited liability partnership shall considered to be transacting intrastate business merely 22 because its subsidiary or affiliate transacts intrastate business, or merely because of its status as any one or more of the following:
 - (1) A shareholder of a domestic corporation.
 - (2) A shareholder of a foreign corporation transacting intrastate business.
 - (3) A limited partner of a foreign limited partnership transacting intrastate business.
- limited 30 of (4) A partner domestic limited 31 partnership.
 - (5) A member or manager of a foreign limited liability company transacting intrastate business.
 - (6) A member or manager of a domestic limited liability company.
- (n) Without excluding other activities that may not be 36 37 considered to be transacting intrastate business, a foreign limited liability partnership shall not be considered to be transacting intrastate business within the meaning of this

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subdivision solely by reason of carrying on in this state any one or more of the following activities:

- (1) Maintaining or defending any action or suit or any administrative or arbitration proceeding, or effecting the settlement thereof or the settlement of claims or disputes.
- (2) Holding meetings of its partners or carrying on any other activities concerning its internal affairs.
 - (3) Maintaining bank accounts.
- (4) Maintaining offices or agencies for the transfer, 10 exchange, and registration of the foreign limited liability partnership's securities or maintaining trustees depositories with respect to those securities.
 - (5) Effecting sales through independent contractors.
- (6) Soliciting or procuring orders, whether by mail or 15 through employees or agents or otherwise, where those 16 orders require acceptance without this state becoming binding contracts.
 - (7) Creating or acquiring evidences mortgages, liens, or security interest in real or personal property.
- collecting debts (8) Securing or or 22 mortgages and security interests in property securing the 23 debts.
- (9) Conducting an isolated transaction that 25 completed within 180 days and not in the course of a number of repeated transactions of a like nature.
- (o) A person shall not be deemed to be transacting 28 intrastate business in this state merely because of its status as a partner of a registered limited liability partnership or 30 a foreign limited liability company whether or not registered to transact intrastate business in this state.
- (p) The Attorney General may bring an action to a foreign limited liability partnership from 34 transacting intrastate business in this state in violation of 35 this chapter.
- (q) Nothing in this section is intended to, or shall, 37 augment, diminish, or otherwise alter existing provisions 38 of law, statutes, or court rules relating to services by a California architect, California public accountant, or 40 California attorney in another jurisdiction, or services by

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an out-of-state architect, out-of-state public accountant, or out-of-state attorney in California.

SEC. 31. Section 16960 of the Corporations Code is amended to read:

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- 5 16960. (a) The registration of a foreign limited partnership may be amended by an amended registration executed by one or more partners authorized to execute an amended registration and filed with the Secretary of 9 soon as reasonably practical after any 10 information set forth in the registration or previously filed amended registration becomes inaccurate, to add information to the registration or amended registration 12 13 or to withdraw its registration as a foreign limited liability 14 partnership.
- (b) If a foreign limited partnership ceases to be a 16 limited liability partnership, it shall file with the Secretary of State a notice, executed by one or more partners 18 authorized to execute the notice, that it is no longer a 19 foreign limited liability partnership. A tax clearance 20 certificate issued by the Franchise Tax Board pursuant to 21 Section 23098 17948.1 of the Revenue and Taxation Code shall be filed with the notice.
- (c) A foreign limited liability partnership that is, but 24 is no longer required to be, registered under Section 25 16959 may withdraw its registration by filing a notice with 26 the Secretary of State, executed by one or more partners authorized to execute the notice.
- (d) The Secretary of State shall provide forms for an 29 amended registration under subdivision (a) and notices 30 under subdivisions (b) and (c).
- (e) The filing of amended registration forms pursuant 32 to subdivision (a) and a notice pursuant to subdivision (b) or (c) shall each be accompanied by a fee as set forth in subdivision (d) of Section 12189 of the Government Code.
- SEC. 32. Section 16962 of the Corporations Code is 36 37 amended to read:
- 16962. (a) Each registered limited liability 38 partnership whose principal office is not in this state and foreign limited liability partnership

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under Section 16959 shall designate as its agent for service of process any natural person or a domestic or foreign corporation entitled to be designated as agent for the service of process pursuant to Section 1505.

- (b) In addition to service that may be made as 6 provided in Section 416.40 of the Code of Civil Procedure, delivery by hand of a copy of any process against a 8 registered limited liability partnership or foreign limited liability partnership registered under Section 16959 (1) to 10 any natural person designated by it as agent or (2), if a corporate agent has been designated, to any person 12 named in the latest certificate of the corporate agent filed pursuant to Section 1505 at the office of that corporate 14 agent shall constitute valid service on the registered 15 limited liability partnership or foreign limited liability 16 partnership.
- 17 (c) If an agent for the purpose of service of process has 18 resigned and has not been replaced or if the agent designated cannot with reasonable diligence be found at address designated for personally delivering the process, or if no agent has been designated, and it is shown 22 by affidavit to the satisfaction of the court that process a registered limited liability partnership 23 against 24 foreign limited liability partnership required 25 registered under Section 16959 cannot be served with 26 reasonable diligence upon the designated agent by hand 27 in the manner provided in Section 415.10, subdivision (a) 28 of Section 415.20, or subdivision (a) of Section 415.30 of 29 the Code of Civil Procedure or upon the registered limited liability partnership or foreign limited liability partnership in the manner provided in Section 416.40 of the Code of Civil Procedure, the court may make an order that the service be made upon the registered 34 limited liability partnership or foreign limited liability partnership by delivering by hand to the Secretary of 36 State, or to any person employed in the Secretary of 37 State's office in the capacity of assistant to or deputy, one 38 copy of the process for each defendant to be served, together with a copy of the order authorizing that service. 40 If the court makes that order, the Secretary of State who

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receives the process, or the person employed in the Secretary of State's office in the capacity of assistant or deputy who receives the process, is required to accept 4 such the process. A fee as set forth in subdivision (b) of Section 12197 of the Government Code shall be paid to the Secretary of State for the use of the state upon receipt of the process. Service in this manner shall be deemed complete on the 10th day after delivery of the process to the Secretary of State.

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- (d) Upon the receipt of the copy of process and the fee therefor, the Secretary of State shall give notice of the service of process to the registered limited liability partnership or foreign limited liability partnership 14 registered under Section 16959 at its principal executive 15 office, by forwarding to that office, by registered mail 16 with request for return receipt, the copy of the process or, 17 if the records of the Secretary of State do not disclose an 18 address for that principal executive office, by forwarding 19 the copy in the same manner to the last designated agent 20 for service of process who has not resigned. If the agent 21 for service of process has resigned and has not been replaced and the records of the Secretary of State do not 23 disclose an address for its principal executive office, no action need be taken by the Secretary of State.
- (e) The Secretary of State shall keep a record of all 26 process served upon the Secretary of State under this 27 section and shall record therein the time of service and 28 the Secretary of State's action with reference thereto. 29 The certificate of the Secretary of State, under the 30 Secretary of State's official seal, certifying to the receipt of process, the giving of notice thereof to the registered limited liability partnership or foreign limited liability partnership, and the forwarding of the process pursuant 34 to this section shall be competent and prima facie 35 evidence of the matters stated therein.
- (f) The court order pursuant to subdivision (c) that 37 service of process be made upon the registered limited liability foreign limited 38 partnership or liability partnership by delivery to the Secretary of State may be a court order of a court of another state, or of any federal

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court, if the suit, action, or proceeding has been filed in that court.

- SEC. 33. Section 17060 of the Corporations Code is amended to read:
- 17060. (a) Every limited liability company and every 6 foreign limited liability company registered to transact intrastate business in this state shall file within 90 days after the filing of its original articles of organization and biennially thereafter during the applicable filing period, 10 on a form prescribed by the Secretary of State, a statement containing:
- (1) The name of the limited liability company and the 13 Secretary of State's file number and, in the case of a 14 foreign limited liability company, the state under the laws of which it is organized.
- (2) The name and street address of the agent for service of process required to be maintained pursuant to 18 subdivision (b) of Section 17057. If a corporate agent is designated, only the name of the agent shall be set forth.
- (3) The street address of its principal executive office and, in the case of a domestic limited liability company, 21 of the office required to be maintained pursuant to Section 17057.
- (4) The name and complete business or residence 25 addresses of any manager or managers and the chief executive officer, if any, appointed or elected in accordance with the articles of organization or operating agreement or, if no manager has been so elected or appointed, the name and business or residence address of each member.
- (5) The general type of business that constitutes the 32 principal business activity of the limited liability company (for example, manufacturer of aircraft; wholesale liquor distributor; or retail department store).
- (b) If there has been no change in the information in 36 the last filed statement of the limited liability company on file in the Secretary of State's office, the limited liability company may, in lieu of filing the statement required by subdivision (a), advise the Secretary of State, on a form prescribed by the Secretary of State, that no changes in

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required information have occurred the during the applicable filing period.

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- (c) For the purposes of this section, the applicable 4 filing period for a limited liability company shall be the calendar month during which its original articles of organization were filed or, in the case of a foreign limited liability company, the month during which its application for registration was filed, and the immediately preceding five calendar months. The Secretary of State shall mail a 10 form for compliance with this section to each limited liability company approximately three months prior to 12 the close of the applicable filing period. The form shall state the due date thereof and shall be mailed to the last 14 address of the limited liability company according to the records of the Secretary of State. The failure of the limited 16 liability company to receive the form shall not exempt the limited liability company from complying with this 17 section.
- (d) Whenever any of the information required by 20 subdivision (a) changes, other than the name and street address of the agent for service of process, the limited liability company may file a current statement containing all the information required by subdivision (a). When changing its agent for service of process or when the address of the agent changes, the limited liability company shall file a current statement containing all the information required by subdivision (a). Whenever any statement is filed pursuant to this section changing the name and street address of the agent for service of process, that statement supersedes any previously filed statement pursuant to this section, the statement in the original articles of organization, and the statement in any restated articles of organization that have been filed, or in the case of a foreign limited liability company, in the application for registration. Whenever restated articles of organization are filed, the statement therein, if any, of the name and street address of the agent for service of process supersedes any previously filed statement pursuant to this section.

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(e) The Secretary of State may destroy or otherwise dispose of any statement filed pursuant to this section after it has been superseded by the filing of a new statement.

- (f) This section shall not be construed to place any person dealing with the limited liability company on notice of, or under any duty to inquire about, the existence or content of a statement filed pursuant to this section.
- SEC. 34. Section 17356 of the Corporations Code is 10 11 amended to read:
- 17356. (a) (1) The managers shall cause to be filed in 13 the office of, and on a form prescribed by, the Secretary 14 of State, a certificate of dissolution upon the dissolution of 15 the limited liability company pursuant to Chapter 8 16 (commencing with Section 17350), unless the event causing the dissolution is that specified in subdivision (c) 18 of Section 17350, in which case the managers or members conducting the winding up of the limited liability company's affairs pursuant to Section 17352 shall have the obligation to file the certificate of dissolution.
- (2) The certificate of dissolution shall set forth all of 23 the following:
 - (A) The name of the limited liability company and the Secretary of State's file number.
 - (B) Any other information the managers or members filing the certificate of dissolution determine to include.
- (3) If a dissolution pursuant to subdivision (b) of Section 17350 is made by the vote of all of the members 30 and a statement to that effect is added to the certificate of cancellation of articles of organization pursuant to subdivision (b), the separate filing of a certificate of dissolution pursuant to this subdivision is not required.
- (b) (1) The managers or members who filed the 35 certificate of dissolution shall cause to be filed in the office 36 of, and on a form prescribed by, the Secretary of State, a certificate of cancellation of articles of organization upon the completion of the winding up of the affairs of the liability company pursuant to Chapter 40 (commencing with Section 17350), unless the

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causing the dissolution is that specified in subdivision (c) of Section 17350, in which case the managers or members conducting the winding up of the limited liability company's affairs pursuant to Section 17352 shall have the 5 obligation to file the certificate of cancellation of articles 6 of organization.

(2) The certificate of cancellation of articles organization shall set forth all of the following:

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- (A) The name of the limited liability company and the 10 Secretary of State's file number.
- (B) A statement that the tax liability will be satisfied on a taxes paid basis or that a person, limited liability company, or other business entity assumes the tax 14 liability, if any, of the dissolving limited liability company as security for the issuance of a tax clearance certificate from the Franchise Tax Board and is responsible for additional taxes or fees, if any, that are assessed under the 18 Revenue and Taxation Code and become due after the date of the assumption of tax liability.
 - (C) Any other information the managers or members filing the certificate of cancellation of articles organization determine to include.
- (3) The Secretary of State shall notify the Franchise Tax Board of the filing and shall forward to the Franchise Tax Board any statement of assumption of tax liability accompanying the certificate of cancellation. Franchise Tax Board shall determine from the available 28 evidence whether or not all taxes and fees imposed on the liability company under the Revenue 30 Taxation Code have been paid or secured and shall notify the taxpayer of any outstanding tax or fee liability and the necessity of satisfying that liability.
- (4) The Franchise Tax Board shall notify the Secretary 34 of State when all taxes and fees imposed on the limited liability company under the Revenue and Taxation Code 36 have been paid or secured, at which time the limited liability company shall cease to exist as of the date of filing its certificate of cancellation of articles of organization.
- 39 (5) When a limited liability company files a certificate of cancellation of articles of organization, the Secretary of

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- State shall notify the limited liability company that the
- limited liability company will be dissolved as of the date
- of filing only if the Franchise Tax Board notifies the
- Secretary of State that all taxes and fees imposed on the
- limited liability company pursuant to Chapter 1.6 of Part
- 6 II (commencing with Section 23091) of Division 2 of the Revenue and Taxation Code have been paid or secured.
- 8 SEC. 35. Section 17375 is added to the Corporations 9 Code, to read:
- 10 17375. Nothing in this title shall be construed to permit a domestic or foreign limited liability company to render professional services, as defined in subdivision (a) 12 13 of Section 13401, in this state.
- SEC. 36. Section 17654 of the Corporations Code is 15 amended to read:
 - 17654. (a) A limited liability company that (1) fails to a statement pursuant to Section 17060 for an applicable filing period, (2) has not filed a statement pursuant to Section 17060 during the preceding months, and (3) was certified for penalty pursuant to Section 17653 for the same filing period, shall be subject to suspension pursuant to this section rather than to penalty pursuant to Section 17653.
- (b) When subdivision (a) is applicable, the Secretary 25 of State shall mail a notice to the limited liability company informing the limited liability company that its powers, rights, and privileges will be suspended after 60 days if it fails to file a statement pursuant to Section 17060.
- (c) After the expiration of the 60-day period without statement filed pursuant to Section 17060, the 30 any Secretary of State shall notify the Franchise Tax Board of the suspension, and mail a notice of the suspension to the limited liability company and thereupon, except for the 34 purpose of amending the articles of organization to set 35 forth a new name, the powers, rights, and privileges of the 36 limited liability company are suspended.
 - (d) A statement pursuant to Section 17060 may be filed notwithstanding suspension of the powers, rights, and privileges pursuant to this section or Section 23301 or 23301.5 of the Revenue and Taxation Code. Upon the

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1 filing of a statement pursuant to Section 17060 by a

- limited liability company that has suffered suspension
- pursuant to this section, the Secretary of State shall certify
- 4 that fact to the Franchise Tax Board and the limited
- liability company may thereupon be relieved from
- suspension unless the limited liability company is held in
- suspension by the Franchise Tax Board by reason of
- Section 23301 or 23301.5 of the Revenue and Taxation 9 Code.
- 37. Chapter 15 (commencing 10 with Section 11 17700) of Title 2.5 of the Corporations Code is repealed.
- 12 SEC. 38. Section 21304 of the Corporations Code is 13 amended to read:
- 14 21304. The Secretary of State shall charge and collect 15 a fee as set forth in paragraph (2) of subdivision (b) of 16 Section 12191 of the Government Code for each 17 registration made under this chapter.
- SEC. 39. Section 24003 of the Corporations Code is 18 19 amended to read:
- 20 24003. (a) An unincorporated association may 21 with the Secretary of State on a form prescribed by the Secretary of State a statement containing either of the 23 following:

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- (1) A statement designating the location and complete 25 address of the association's principal office in this state. 26 Only one such place may be designated.
- (2) A statement (i) designating the location and 28 complete address of the association's principal office in this state in accordance with paragraph (1) or, if the 30 association does not have an office in this state, designating the complete address of the association to 32 which the Secretary of State shall send any notices 33 required to be sent to the association under Sections 24005 34 and 24006, and (ii) designating as agent of the association 35 for service of process any natural person residing in this 36 state or any corporation that has complied with Section 1505 and whose capacity to act as an agent has not 38 terminated.
- 39 (b) If a natural person is designated as agent for 40 service of process, the statement shall set forth the

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person's complete business or residence address. If a corporate agent is designated, no address for it shall be set 3 forth.

- (c) Presentation for filing of a statement and one copy, 5 tender of the filing fee, and acceptance of the statement by the office of the Secretary of State constitutes filing under this section. The Secretary of State shall note upon the copy of the statement the file number and the date of filing the original and deliver or send the copy to the unincorporated association filing the statement.
- (d) At any time, an unincorporated association that has filed a statement under this section may file a new 12 statement superseding the last previously 14 statement. If the new statement does not designate an agent for service of process, the filing of the new 16 statement shall be deemed to revoke the designation of an agent previously designated. A statement filed under 18 this section expires five years from December 31 following the date it was filed in the office of the Secretary of State, unless previously superseded by the filing of a new statement.
- (e) Delivery by hand of a copy of any process against 23 the unincorporated association (1) to any natural person designated by it as agent, or (2) if the association has 25 designated a corporate agent, to any person named in the 26 last certificate of the corporate agent filed pursuant to Section 1505 at the office of the corporate agent shall constitute valid service on the association.
- (f) For filing a statement as provided in this section, 30 the Secretary of State shall charge and collect the fee prescribed in paragraph (1) of subdivision (b) of Section 12191 of the Government Code for filing a designation of agent.
- 34 SEC. 40. Section 24004 of the Corporations Code is 35 amended to read:
- 24004. (a) The Secretary of State shall mark each 36 37 statement filed under Section 24003 with a consecutive file number and the date of filing. He or she may destroy or otherwise dispose of any such statement four years after the statement expires. In lieu of retaining the

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original statement, the Secretary of State may retain a copy thereof in accordance with Section 14756 of the Government Code.

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- (b) The Secretary of State shall index each statement 5 filed under Section 24003 according to the name of the unincorporated association as set out in the statement and shall enter in the index the file number and the address of the association as set out in the statement and, if an agent for service of process is designated in the statement, 10 the name of the agent and, if a natural person is designated as the agent, the address of that person.
- (c) Upon request of any person, the Secretary of State 13 shall issue a certificate showing whether, according to the 14 records of the office of the Secretary of State, there is on 15 file on the date and hour stated therein, any presently 16 effective statement filed under Section 24003 for an association unincorporated using a specific 18 designated by the person making the request. If such a statement is on file, the certificate shall include the information required by subdivision (b) to be included in the index. The fee for such a the certificate is as set forth in Section 12183 of the Government Code.
- (d) When a statement has expired under subdivision 24 (d) of Section 24003, the Secretary of State shall enter that fact in the index together with the date of the expiration.
- 26 (e) Four years after a statement has expired, the 27 Secretary of State may delete the information concerning that statement from the index.
- SEC. 41. Section 5805 of the Financial Code is 29 30 repealed.
- 31 SEC. 42. Section 6518 of the Government Code is 32 amended to read:
- 6518. (a) A joint powers agency, without being 34 subject to any limitations of any party to the joint powers agreement pursuant to Section 6509, may also finance or 36 refinance the acquisition or transfer of transit equipment or transfer federal income tax benefits with respect to any by transit equipment executing agreements, purchase agreements, and equipment trust certificates in 40 the forms customarily used by a private corporation

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1 engaged in the transit business to effect purchases of 2 transit equipment, and dispose of the equipment trust 3 certificates by negotiation or public sale upon terms and 4 conditions authorized by the parties to the agreement. 5 Payment for transit equipment, or rentals therefor, may 6 be made in installments, and the deferred installments evidenced by equipment trust certificates payable from any source or sources of funds specified in the equipment trust certificates that are authorized by 10 the parties to the agreement. Title to the transit equipment shall not vest in the joint powers agency until the equipment trust certificates are paid. 12

- (b) An agency that finances or refinances transit 14 equipment or transfers federal income tax benefits with 15 respect to transit equipment under subdivision (a) may 16 provide in the agreement to purchase or lease transit equipment any of the following:
- (1) A direction that the vendor or lessor shall sell and 19 assign or lease the transit equipment to a bank or trust 20 company, duly authorized to transact business in the state 21 as trustee, for the benefit and security of the equipment 22 trust certificates.
- (2) A direction that the trustee shall deliver the transit 24 equipment to one or more designated officers of the 25 entity.
- (3) An authorization for the joint powers agency to simultaneously therewith and deliver 28 installment purchase agreement or a lease of equipment to the joint powers agency.
- (c) An agency that finances or refinances transit 31 equipment or transfers federal income tax benefits with 32 respect to transit equipment under subdivision (a) shall do all of the following:
- 34 (1) Have each agreement or lease duly acknowledged 35 before person authorized by law 36 acknowledgments of deeds and be acknowledged in the 37 form required for acknowledgment of deeds.
- (2) Have each agreement, lease, or equipment trust 38 39 certificate authorized by resolution of the joint powers agency.

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(3) Include in each agreement, lease, or equipment trust certificate any covenants, conditions, or provisions that may be deemed necessary or appropriate to ensure the payment of the equipment trust certificate from legally available sources of funds, as specified in the equipment trust certificates.

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- (4) Provide that the covenants. conditions. provisions of an agreement, lease, or equipment trust certificate do not conflict with any of the provisions of any 10 trust agreement securing the payment of any bond, note, or certificate of the joint powers agency.
- (5) File an executed copy of each agreement, lease, or 13 equipment trust certificate in the office of the Secretary 14 of State, and pay the fee, as set forth in paragraph (3) of 15 subdivision (a) of Section 12195 of the Government Code, 16 for each copy filed.
- (d) The Secretary of State may charge a fee for the 18 filing of an agreement, lease, or equipment trust certificate under this section. The agreement, lease, or 20 equipment trust certificate shall be accepted for filing 21 only if it expressly states thereon in an appropriate 22 manner that it is filed under this section. The filing 23 constitutes notice of the agreement, lease, or equipment 24 trust certificate to any subsequent judgment creditor or any subsequent purchaser.
- (e) Each vehicle purchased or leased under this 27 section shall have the name of the owner or lessor plainly marked on both sides thereof followed by the appropriate words "Owner and Lessor" or "Owner and Vendor," as the case may be.
- 31 SEC. 43. Section 12164.5 of the Government Code is 32 repealed.
- 33 SEC. 44. Section 12164.7 of the Government Code is 34 repealed.
- 35 SEC. 45. Section 12168.5 of the Government Code is 36 amended to read:
 - 12168.5. (a) When not inconsistent with other provisions of law, in lieu of filing or recording documents presented in paper format, the Secretary of State may adopt rules and regulations to authorize the electronic

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filing, including filing by facsimile, of any document required to be filed with the Secretary of State under any act administered by the Secretary of State. The rules and regulations may set forth standards for the acceptance of a signature in a form other than the proper handwriting of the person filing a document that requires his or her signature. A signature on a document electronically filed or filed by facsimile in accordance with those rules and regulations is prima facie evidence for all purposes that 10 the document actually was signed by the person whose signature appears on the electronically filed document or 12 facsimile.

The filing or recording shall constitute a unique 14 computerized informational record. The record need not 15 be retained in the form in which it is received, if the used to retain the record results in a 16 technology permit additions. permanent record that does not deletions, or changes in the original document and from which an accurate image may be created during the 20 period for which the record is required to be retained.

officer filing may employ 22 microphotography, optical disk, or reproduction by other techniques that do not permit additions, deletions, or changes to the original document.

(b) All film used in the microphotography process minimum comply with standards of quality approved by the United States Bureau of Standards and the American National Standards Institute. A true copy of the microfilm, optical disk, or other storage medium shall be kept in a safe and separate place for security purposes. A reproduction of any document filed, recorded, stored, or retained on microfilm, optical disk, or by other technology pursuant to this section shall be as admissible in any court as the original itself.

The Secretary of State shall obtain the approval of the 36 Fair Political Practices Commission before applying this section to a filing or recording under the Political Reform Act of 1974 (Title 9 (commencing with Section 81000)).

39 SEC. 46. Section 12175 is added to the Government 40 Code, to read:

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12175. The Secretary of State shall keep a fee book. There shall be entered in the book all fees, commissions, and compensation of whatever nature or kind that are earned, collected, or charged, with the date, name of payer, paid or not paid, and the nature of the service in each case. The book shall be verified annually by the Secretary of State's affidavit entered therein.

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SEC. 47. Section 12176 is added to the Government 8 9 Code, to read:

12176. (a) Commencing July 1, 1992, collected by the Secretary of State's office pursuant to the Business and Professions Code, Code of Civil Procedure, Commercial Code, Corporations Code, 14 Agricultural Code, Harbors and Navigation Code, this code, excluding Section 81008 of this code, shall be 16 paid into the Secretary of State's Business Fees Fund which was created by former Section 12181 and is hereby continued in existence in the State Treasury for the administration of that portion of the Secretary of State's 20 functions under these codes.

(b) It is the intent of the Legislature that moneys 22 deposited into the Secretary of State's Business Fees Fund 23 shall be used to support the programs from which fees are 24 collected. It is further the intent of the Legislature that 25 fees shall be sufficient to cover the costs of these programs and shall be expended, commencing in the 1992-93 fiscal year, to the extent that appropriations are made in the 28 annual Budget Act. All fees collected, and any interest earned thereon, in excess of the authority of the Secretary 30 of State to expend pursuant to the annual Budget Act, shall be transferred to the Business Programs Account, hereby established within the Secretary Business Fees Fund, and shall be used by the Secretary of State, upon appropriation by the Legislature, for the support of the programs from which fees are collected.

36 At least weekly, all fees collected by the Secretary of 37 State shall be paid into the State Treasury.

SEC. 48. Section 12177 is added to the Government 38 39 Code, to read:

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12177. For services performed in his or her office, the Secretary of State shall charge and collect the fees fixed in this article.

- SEC. 49. Section 12178 is added to the Government 4 5 Code, to read:
- 12178. No member of the Legislature or state officer 6 shall be charged for any search relative to matters appertaining to the duties of his or her office, nor shall he or she be charged any fee for a certified copy of any law 10 or resolution passed by the Legislature relative to his or her official duties.
- 12 SEC. 50. Section 12178.1 is added to the Government 13 Code, to read:
- 12178.1. (a) Except for copies of documents on file 15 prepared pursuant to Section 12182, the fee for preparing a copy of any law, resolution, record, or other document on file in the office of the Secretary of State, is one dollar 18 (\$1) for the first page, and fifty cents (\$0.50) for each additional page.
- (b) Except for copies of documents on file prepared 21 pursuant to subdivision (a), the Secretary of State shall provide compilations, indexes, extracts, or summaries of 23 information, including computer information, contained in the public records of the Secretary of State at a charge sufficient to recover costs. Except where a fee or charge is prescribed by statute, the fee or charge imposed pursuant to this subdivision shall not exceed ten dollars (\$10) per inquiry.
- (c) Except as provided in Section 12185, the fee for 30 comparing a copy of any law, resolution, record, or other document or paper with the original, or the certified copy of the original, on file in the office of the Secretary of State, is three dollars (\$3).
- 34 (d) The Secretary of State may enter into contracts to 35 provide information and copies and access 36 information, including direct access to computer information. The contracts may include reasonable 38 conditions for information. access to The amounts payable pursuant to these contracts shall be sufficient to 40 recover costs.

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(e) The Secretary of State may require persons and 2 firms regularly using the research facilities of the Secretary of State to use those research facilities only pursuant to a contract under subdivision (d).

- (f) All fees, reimbursements, and contract amounts pursuant to this section shall be accounted as Secretary of State expenditure reimbursements.
 - (g) Fees for special handling pursuant to Section 12182 are in addition to amounts pursuant to this section.

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- SEC. 51. Section 12179 is added to the Government Code, to read:
- 12 12179. The fee for attesting each patent for land 13 issued by the Governor is one dollar (\$1) for each 160 acres, or fraction thereof.
- SEC. 52. Section 12179.1 is added to the Government 16 Code, to read:
- 12179.1. The fee for attesting each commission, 18 passport, or other document signed by the Governor is ten dollars (\$10).
- A fee shall not be charged for attesting pardons, 21 extradition military commissions. papers, commissions issued to nonsalaried state officers other than notaries public.
- SEC. 53. Article 3 (commencing with Section 12180) 25 of Chapter 3 of Part 2 of Division 3 of Title 2 of the Government Code is repealed.
 - SEC. 54. Article 3 (commencing with Section 12180) is added to Chapter 3 of Part 2 of Division 3 of Title 2 of the Government Code, to read:

Article 3. Business Programs

- 12180. The Secretary of State's office may adopt rules and regulations as necessary to carry out this article, in accordance with Chapter 3.5 (commencing with Section 11340) of Part 1.
- 12182. The Secretary of State shall charge and collect fees as provided in this article and may also by regulation establish fees to be charged and collected for copying and special handling in connection with filing of documents,

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issuing of certificates, and other services performed by the office. The fees shall approximate the estimated cost of copying and special handling. Copying and special handling fees shall be accounted as Secretary of State 5 expenditure reimbursements.

12182.1. The Secretary of State shall establish by regulation an application, examination, and commission fee that shall not exceed the amount necessary to cover the costs of commissioning notaries public and enforcement of laws governing notaries public. The fee not exceed one hundred dollars (\$100) commission.

12183. The Secretary of State shall charge and collect 14 the following fees for certification:

- (a) Certification of a document: Five dollars (\$5).
- (b) Certificate of status or filing: Five dollars (\$5).
- (c) Certificate of information: Five dollars (\$5) Ten 18 *dollars* (\$10).

12185. Upon the filing of any document pursuant to 20 any provision of the Corporations Code for which there 21 is a filing fee of fifteen dollars (\$15) twenty-five dollars 22 (\$25) or more, the Secretary of State shall compare and 23 certify up to two copies without charge, provided that the 24 copies are submitted to the Secretary of State with the 25 original to be filed.

- 12186. The fees for corporate filings are the following:
- (a) Issuing a certificate of reservation of corporate name: Ten dollars (\$10).
- (b) Registering a corporate name for the calendar year pursuant to Section 2101 of the Corporations Code: 30 Fifty dollars (\$50).
 - (c) Filing articles of incorporation providing shares: One hundred dollars (\$100).
 - (d) Filing articles of incorporation not providing for shares: Thirty dollars (\$30).
- (e) Filing the statement and designation upon the 36 37 qualification of a foreign, nonprofit, nonstock corporation, and of a foreign corporation organized for educational, religious, scientific, or charitable purposes, and not issuing shares: Thirty dollars (\$30).

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statement and designation upon the (f) Filing the qualification of any other foreign corporation provided for in subdivision (e): One hundred dollars (\$100).

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- (g) Filing the biennial statement of information for every corporation: Twenty dollars (\$20).
- (h) Filing the biennial statement of information for foreign corporation (other than foreign association) qualified to transact intrastate business: Twenty dollars (\$20).
- (i) Filing changes to any biennial statement of information: No fee.
- 13 (j) Filing for the merger of one corporation solely with 14 one or more other corporations: One hundred dollars 15 (\$100).
 - (k) Filing for the merger of one or more corporations with one or more other types of business entities: One hundred fifty dollars (\$150).
- (1) Filing a certificate of amendment changing the 20 status of a nonprofit corporation into a stock corporation: Seventy dollars (\$70).
 - (m) Filing a certificate of election to dissolve a corporation, a certificate of dissolution of a corporation, or a certificate of surrender, or of change of address: No fee.
 - (n) Filing a statement of address by a foreign lending institution on or before June 30 of each year pursuant to Section 2104 of the Corporations Code: Fifty dollars (\$50).
 - (o) Filing any other instrument by or on behalf of a corporation, unless another fee is specified by law: Thirty collars (\$30).
 - 12187. The general partnership filing fees are the following:
- 34 (a) Filing a statement of partnership: Seventy dollars (\$70). 35
- 36 (b) Filing a statement of dissolution for the purposes of canceling a statement of partnership: No fee. 37
- (c) Filing any other partnership statement pursuant to 38 this chapter, unless another fee is specified by law or the

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law specifies that no fee is to be charged: Thirty dollars (\$30).

- 3 12188. The limited partnership filing fees are the following: 4
 - (a) Issuing a certificate of reservation of limited partnership name: Ten dollars (\$10).
 - (b) Filing a certificate of limited partnership or an application for registration as a foreign limited partnership: Seventy dollars (\$70).
 - (c) Filing an amendment, including restatements, to the certificate of limited partnership or to the application of a foreign limited partnership: Thirty dollars (\$30).
- (d) Filing a certificate of continuation for a domestic 14 limited partnership after a certificate of dissolution has 15 been filed: Thirty dollars (\$30).
- (e) Filing a certificate of dissolution or certificate of cancellation by a limited partnership, either domestic or 17 18 foreign: No fee.
- (f) Filing a certificate of merger pursuant to Section 20 15678.4 of the Corporations Code, for the merger of one limited partnership with one or more other limited partnerships: Seventy dollars (\$70).
- (g) Filing merger documents for the merger of one or 24 more limited partnerships with one or more other types of business entities: One hundred fifty dollars (\$150).
 - 12189. The limited liability partnership filing fees are the following:
- (a) Filing a registration for a registered 28 limited liability partnership: Seventy dollars (\$70).
 - (b) Filing a registration for a foreign limited liability partnership: Seventy dollars (\$70).
- (c) Filing an amendment to the registration of a 33 limited liability partnership registration: Thirty dollars 34 (\$30).
- 35 (d) Filing an amendment to the registration of a 36 foreign limited liability partnership: Thirty dollars (\$30).
- (e) Filing a notice of change of status pursuant to 37 38 subdivision (b) of Section 16954 of the Corporations Code: Thirty dollars (\$30).

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(f) Filing any other partnership statement for a limited liability partnership, unless another fee is specified by law or the law specifies that no fee is to be charged: Thirty dollars (\$30).

- 12190. The limited liability company filing fees are the following:
- (a) Issuing a certificate of reservation of limited liability company name: Ten dollars (\$10).
- (b) Filing articles of organization of a limited liability company: Seventy dollars (\$70).
- (c) Filing an application for registration as a foreign limited liability company: Seventy dollars (\$70).
- (d) Filing a certificate of amendment to the articles of organization of a limited liability company: Thirty dollars (\$30).
- (e) Filing restated articles of organization of a limited liability company: Thirty dollars (\$30).
- (f) Filing an amendment to the application for registration as a foreign limited liability company: Thirty dollars (\$30).
- (g) Filing a certificate of correction for a limited liability company: Thirty dollars (\$30).
- (h) Filing a certificate of continuation for a limited liability company after a certificate of dissolution has been filed: Thirty dollars (\$30).
- (i) Filing a certificate of merger for a merger of a limited liability company with one or more other limited liability companies: Seventy dollars (\$70).
- (j) Filing a certificate of merger for a merger of one or more limited liability companies with one or more other business entities: One hundred fifty dollars (\$150).
- (k) Filing the biennial statement of information of a limited liability company or of a foreign limited liability company: Twenty dollars (\$20).
- 35 (*l*) Filing changes to any biennial statement of 36 information: No fee.
- 37 (m) Filing a certificate of dissolution or a certificate of 38 cancellation of articles of organization for purposes of the 39 dissolution of a limited liability company: No fee.

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(n) Filing a certificate of cancellation for purposes of the cancellation of registration of a foreign limited liability company: No fee.

- (o) Filing any instrument by or on behalf of a limited liability company, unless another fee is specified by law or the law specifies that no fee is to be charged: Thirty dollars (\$30).
- 12191. The miscellaneous business entity filing fees are the following:
- (a) Foreign Associations, as defined in Sections 170 and 171 of the Corporations Code:
- (1) Filing the statement and designation upon the 13 qualification of a foreign association pursuant to Section 14 2105 of the Corporations Code: One hundred dollars 15 (\$100).
- (2) Filing an amended statement and designation by 16 17 a foreign association pursuant to Section 2107 of the 18 Corporations Code: Thirty dollars (\$30).
- (3) Filing a certificate showing the surrender of the 20 right of a foreign association to transact intrastate 21 business pursuant to Section 2112 of the Corporations 22 Code: No fee.
 - (b) Unincorporated Associations:
- (1) Filing a statement in accordance with Section 25 24003 of the Corporations Code as to principal place of office or place for sending notices or designating agent for service: Twenty-five dollars (\$25).
 - (2) Insignia Registrations: Ten dollars (\$10).
- 12192. The filing fees for a nonprofit mutual benefit 30 ridesharing corporation are the following:
- (a) Nonprofit mutual benefit corporation having as its 32 sole purpose the operation of a single ridesharing vanpool vehicle designed for transporting at least seven persons, 34 including the driver, under an arrangement in which ridesharing is incidental to another purpose of the driver: 36 No fee.
- (b) For purposes of this section ridesharing shall have 37 the meaning specified in Section 522 of the Vehicle Code.
- 12193. The trademark and service mark fees are the 39 following: 40

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1 (a) Filing application for registration of an trademark: Seventy dollars (\$70).

- (b) Issuing a certificate of assignment of a trademark: Thirty dollars (\$30).
- (c) Filing a renewal for registration of a trademark: Thirty dollars (\$30).

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- (d) Filing of a name, mark, or device used as a brand: Thirty dollars (\$30).
- (e) Issuing a certificate of filing of a laundry supply 10 designation: Ten dollars (\$10).
 - (f) Filing the registration of any name used by an organization: Ten dollars (\$10).
- (g) Issuing a certificate with the name of a farm, ranch, 14 or villa: Ten dollars (\$10).
- 12194. The fees for filing liens pursuant to the Code of 16 Civil Procedure and for filing financing statements and other Commercial Code filings are the following:
 - (a) Filing and indexing of each notice of lien or certificate of notice affecting the lien-is: Ten dollars (\$10).
 - financing statements or other Commercial Code filings: If the statement is in the standard form prescribed by the Secretary of State: Ten dollars (\$10); all others: Twenty dollars (\$20).
- (c) Filing a certificate of release of a state tax lien: Two 25 *dollars* (\$2).
 - 12195. (a) Special filings filing fees for joint powers agreements are the following:
 - (1) Filing a notice of a joint powers agreement: One dollar (\$1).
 - (2) Filing an amendment of a joint powers agreement: One dollar (\$1).
- (3) Filing an executed copy of each agreement, lease, or equipment trust certificate for an agency that financed 33 34 or refinanced transit equipment or transferred federal 35 income tax benefits with respect to transit equipment 36 pursuant to subdivision (a) of Section 6518: One dollar 37 (\$1).
- (b) Special filing fees for athlete agents are 38 39 following:

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(1) Filing athlete agent disclosure an statement: Thirty dollars (\$30).

- (2) Filing an amendment to an athlete agent disclosure statement: Twenty dollars (\$20).
- (c) Special filing fees for a durable power of attorney for health care are the following:
- (1) Filing a durable power of attorney for health care registration: No fee.
- (2) Filing an amendment to a durable power of 10 attorney for health care: No fee.
- (d) The special filing fee for registering a claim as 12 successor in interest is ten dollars (\$10).
- (e) The special filing fee for issuing a certificate of 14 official character is twenty dollars (\$20).
- 12197. The Secretary of State shall charge and collect, 16 as applicable, fees for the following:
- (a) Service of process, as provided in Section 15800 of 18 the Corporations Code, for every partnership other than a foreign limited partnership subject to Article (commencing with Section 15691) of Chapter 3 of Title 2 of the Corporations Code or a commercial banking partnership established and transacting business in a place without the United States, which is domiciled 24 without this state and has no regular place of business 25 within the state: Fifty dollars (\$50).
- (b) Service of process for each registered limited 27 liability partnership whose principal office is not in this state and each foreign limited liability partnership registered under Section 16959 of the Corporations Code: 30 Fifty dollars (\$50).
- (c) Acceptance of copies of process 32 corporation, firm, partnership, limited liability company, association, business trust, or natural person: Fifty dollars 34 (\$50), unless another fee is specified by law or the law specifies that no fee is to be charged.
- (d) Filing a statement of resignation as an agent 36 37 pursuant to paragraph (2) of subdivision (d) of Section 38 17061 of the Corporations Code for an individual or entity 39 previously designated as an agent for service of process by 40 a limited liability company: No fee.

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- 1 SEC. 55. Section 601 of the Harbors and Navigation 2 Code is repealed.
- 3 SEC. 56. Section 602 of the Harbors and Navigation
- 4 Code is repealed.
- 5 SEC. 57. Section 603 of the Harbors and Navigation
- 6 Code is repealed.
- 7 SEC. 58. Section 604 of the Harbors and Navigation
- 8 Code is repealed.
- 9 SEC. 59. Section 21414 of the Public Utilities Code is
- 10 repealed.